

**TOWN OF GRACEMONT, OKLAHOMA and
GRACEMONT PUBLIC WORKS AUTHORITY**

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES**

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

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**Independent Accountant's Report
on Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Gracemont
Gracemont, Oklahoma

Trustees of the Gracemont Public Works Authority
Gracemont, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Report on Compiled Financial Statements and Schedules

Management is responsible for the accompanying financial statements and schedules of the Town of Gracemont and Gracemont Public Works Authority, Gracemont, Oklahoma, which comprise a Summary of Changes in Fund Balances-Modified Cash Basis as of the year ended June 30, 2022, and the related Budgetary Comparison Schedule-General Fund-Modified Cash Basis, Budgetary Comparison Schedule-Fire Department Fund-Modified Cash Basis, Budgetary Comparison Schedule-Grant Fund-Modified Cash Basis, Gracemont Public Works Authority-Statement of Revenues, Expenses and Changes in Fund Balance-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the year then ended in accordance with the modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying financial statements and schedules nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements and schedules.

The financial statements and schedules have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the modified cash basis and budget laws of the State of Oklahoma which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements and schedules prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements and schedules, they might influence the user's conclusions about the Town's and Authority's assets, liabilities,

fund balances, revenues, and expenses. Accordingly, these financial statements and schedules are not designed for those who are not informed about such matters.

Report on Applying Agreed-upon Procedures

We have performed the procedures enumerated below which were agreed to by the specified users of the report as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and the Public Works Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3. and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2022. Management of the Town of Gracemont and the Gracemont Public Works Authority is responsible for the Town's and the Authority's financial accountability and its compliance with those legal and contractual requirements.

The Town of Gracemont and the Gracemont Public Works Authority has agreed to and acknowledge that the procedures performed are appropriate to meet the intended purpose of meeting their financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance requirements with specific legal or contractual requirements for the fiscal year ended June 30, 2022. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Procedures and Findings

As to the **Town of Gracemont** as of and for the fiscal year ended June 30, 2022:

1. **Procedures Performed:** From the Town's trial balances, we prepared a modified cash basis schedule of changes in fund balances for each fund (see accompanying Exhibit 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted.

2. **Procedures Performed:** From the Town's trial balances, we prepared a modified cash basis budget and actual financial schedule for the General Fund and any other significant funds (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances) listing separately each federal fund (see accompanying Exhibit 2) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: Park Fund in total exceeded appropriations. The Town underbudgeted expenses for maintenance and operations in the amount of \$188.

Findings: The Town did not prepare a budget for the Grant Fund for the fiscal year 2022. This fund had personal services expenses in the amount of \$55,130.

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: *In the Fire Department Fund CD account, there was a \$40. difference between the June 30, 2022 bank reconciliation and the general ledger. This was due to interest income for the month of November being posted twice.*

4. **Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: *No instances of noncompliance were noted.*

5. **Procedures Performed:** We compared the Town's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: *No instances of noncompliance were noted.*

6. **Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: *No instances of noncompliance were noted.*

7. **Procedures Performed:** We compared the Town's account balances in reserve accounts to contractually required reserve balances and debt service requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: *The Town had no contractual or debt service requirements. This procedure does not apply.*

As to the **Gracemont Public Works Authority**, as of and for the fiscal year ended June 30, 2022:

1. **Procedures Performed:** From the Authority's trial balances, we prepared a schedule of revenues, expenses and changes in fund balances - modified cash basis for each fund (see accompanying Exhibit 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instances of noncompliance.

Findings: *No instances of noncompliance were noted.*

2. **Procedures Performed:** We agreed the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: *No instances of noncompliance were noted.*

3. **Procedures Performed:** We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance were noted.

4. **Procedures Performed:** We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: The list of meter deposits due to customers upon termination of service is not being reconciled and reported on the Authority's financials. The balance at year end per the utility system report was \$12,528. The prior year balance per the utility system report was \$8,690 plus the deposits received of \$3,979 and less the refunds issued of \$1,395 equals a total of \$11,274. This results in a difference of \$1,254.

5. **Procedures Performed:** We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted.

6. **Procedures Performed:** We compared the Authority's account balances in reserve accounts to contractually required reserve balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted.

As to the **Town of Gracemont and Gracemont Public Works Authority** grant programs, as of and for the fiscal year ended June 30, 2022:

1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit 4) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

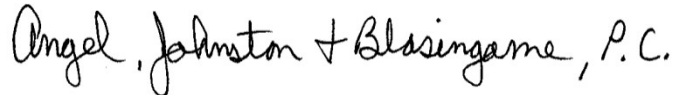
Findings: No instances of noncompliance were noted.

We were engaged by the Town of Gracemont and the Gracemont Public Works Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants to meet the requirements prescribed in Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Town and the Public Works Authority meeting their financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2022. Accordingly, we do not express such an

opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town of Gracemont and the Gracemont Public Works Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Angel, Johnston + Blasingame, P.C." The signature is written in a cursive, flowing style.

Angel, Johnston and Blasingame, P.C.
Chickasha, Oklahoma
December 12, 2022

TOWN OF GRACEMONT AND GRACEMONT PUBLIC WORKS AUTHORITY
Gracemont, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balances</u>
TOWN:				
General Fund	\$ 12,280	\$ 82,896	\$ 69,640	\$ 25,536
Street and Alley Fund	11,880	2,894	2,081	12,693
Fire Department Fund	57,294	82,374	55,952	83,716
Park Fund	261	462	448	275
Municipal Court Fund	1,496	4	-	1,500
Police Fund	2,673	-	-	2,673
Grant Fund	519	81,346	55,130	26,735
Town Subtotal	<u>86,403</u>	<u>249,976</u>	<u>183,251</u>	<u>153,128</u>
AUTHORITY:				
Gracemont Public Works Authority	60,290	222,422	218,188	64,524
Authority Subtotal	<u>60,290</u>	<u>222,422</u>	<u>218,188</u>	<u>64,524</u>
Overall Totals	<u>\$ 146,693</u>	<u>\$ 472,398</u>	<u>\$ 401,439</u>	<u>\$ 217,652</u>

See Independent Accountant's Report on Agreed-Upon Procedures.

TOWN OF GRACEMONT, OKLAHOMA

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND-MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Beginning Budgetary Fund Balance:	\$ 9,759	\$ 9,759	\$ 9,759	\$ -
Resources (Inflow):				
Taxes:				
Franchise tax	5,432	5,432	6,164	732
Sales tax	33,777	33,777	39,893	6,116
Alcohol beverage tax	5,132	5,132	5,077	(55)
Tobacco tax	398	398	473	75
Use tax	20,999	20,999	25,838	4,839
Total Taxes	65,738	65,738	77,445	11,707
Other Revenue:				
Interest	418	418	376	(42)
Miscellaneous	-	-	5,075	5,075
Total Other Revenue	418	418	5,451	5,033
Other Financing Sources:				
Transfers from other funds	60,931	60,931	-	(60,931)
Total Other Financing Sources	60,931	60,931	-	(60,931)
Total Resources (Inflows)	127,087	127,087	82,896	(44,191)
Amounts available for appropriation	136,846	136,846	92,655	(44,191)
Charges to Appropriations (Outflows):				
Personal services	37,000	57,000	37,942	19,058
Maintenance & operations	89,846	69,846	29,465	40,381
Capital outlay	10,000	10,000	2,628	7,372
Total Other	136,846	136,846	70,035	66,811
Other Financing Uses:				
Transfers to other funds			-	-
Total Charges to Appropriations (Outflows)	136,846	136,846	70,035	66,811
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 22,620	\$ 22,620
Current year encumbrances			2,916	
Ending Fund Balance			\$ 25,536	

See Independent Accountant's Report on Agreed-Up Procedures.

TOWN OF GRACEMONT, OKLAHOMA

BUDGETARY COMPARISON SCHEDULE
FIRE DEPARTMENT FUND-MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Beginning Budgetary Fund Balance:	\$ 53,687	\$ 53,687	\$ 57,294	\$ 3,607
Resources (Inflow):				
Taxes:				
Sales tax	-	-	39,164	39,164
Total Taxes	-	-	39,164	39,164
Other Revenue:				
Grants	-	-	9,763	9,763
Fire Runs	-	-	5,005	5,005
Donations	-	-	5,105	5,105
Interest	-	-	402	402
Reimbursements	-	-	17,185	17,185
Miscellaneous	-	-	5,750	5,750
Total Other Revenue	-	-	43,210	43,210
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	-	-	-	-
Total Resources (Inflows)	-	-	82,374	82,374
Amounts available for appropriation	53,687	53,687	139,668	85,981
Charges to Appropriations (Outflows):				
Maintenance & operations	30,687	30,687	32,952	(2,265)
Capital outlay	23,000	23,000	23,000	-
Total Other	53,687	53,687	55,952	(2,265)
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations (Outflows)	53,687	53,687	55,952	(2,265)
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 83,716	\$ 83,716
Current year encumbrances			-	
Ending Fund Balance			\$ 83,716	

See Independent Accountant's Report on Agreed-Upon Procedures.

TOWN OF GRACEMONT, OKLAHOMA

BUDGETARY COMPARISON SCHEDULE
GRANT FUND-MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Beginning Budgetary Fund Balance:	\$ -	\$ -	\$ 519	\$ 519
Resources (Inflow):				
Other Revenue:				
Grants	-	-	81,346	81,346
Total Other Revenue	-	-	81,346	81,346
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	-	-	-	-
Total Resources (Inflows)	-	-	81,346	81,346
Amounts available for appropriation	-	-	81,865	81,865
Charges to Appropriations (Outflows):				
Personal services	-	-	55,130	(55,130)
Total Other	-	-	55,130	(55,130)
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations (Outflows)	-	-	55,130	(55,130)
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 26,735	\$ 26,735
Current year encumbrances			-	
Ending Fund Balance			\$ 26,735	

See Independent Accountant's Report on Agreed-Upon Procedures.

GRACEMONT PUBLIC WORKS AUTHORITY
Gracemont, Oklahoma

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)

	Gracemont Public Works Authority	
Operating Revenues:		
Utility revenue	\$ 203,781	
Miscellaneous revenue	270	
Total Operating Revenue	<u>204,051</u>	
Operating Expenses:		
Personal services	103,126	
Maintenance and operations	84,159	
Capital outlay	3,252	
Total Operating Expenses	<u>190,537</u>	
Operating Income (Loss)	<u>13,514</u>	
Non-Operating Revenues (Expenses):		
Interest revenue	94	
Debt Service-Interest	(3,257)	
Debt Service-Principal	(6,117)	
Total Non-Operating Revenues (Expenses)	<u>(9,280)</u>	
Net Income (Loss) Before Transfers	4,234	
Transfers in	-	
Transfers out	<u>-</u>	
Changes in Fund Balance	4,234	
Fund Balance - beginning	<u>60,290</u>	(1)
Fund Balance - ending	<u>\$ 64,524</u>	(2)

(1) Removed the Grant Fund of \$519 from the GPWA and added to the Town.

(2) Ending fund balance includes the Communities Unlimited, Inc. reserve account balance of \$7,470.

See Independent Accountant's Report on Agreed-Upon Procedures.

TOWN OF GRACEMONT AND GRACEMONT PUBLIC WORKS AUTHORITY
Gracemont, Oklahoma

SCHEDULE OF GRANT ACTIVITY
MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)

	<u>Award Amount</u>	<u>Prior Year(s) Receipts</u>	<u>Prior Year(s) Disbursements</u>	<u>Beginning of Year Unexpended Grant Funds</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Unexpended Grant Funds</u>
TOWN:							
Oklahoma Department of Agriculture Fire Operational Grant - FY22	\$ 4,763	\$ -	-	-	4,763	4,763	-
Association of South Central Oklahoma Governments							
Gracemont REAP #202215	45,000	30,736	30,736	-	14,264	14,264	-
Gracemont REAP #212220	45,000	-	-	-	40,360	40,360	-
Gracemont REAP #222234	45,000	-	-	-	-	-	-
U.S. Department of the Treasury American Rescue Plan Act ALN #21.027	53,699	-	-	-	26,722	-	26,722
CKenergy Electric Foundation, Inc. Operation Roundup Grant - Fire	5,000	-	-	-	5,000	5,000	-
Department of Emergency Management FEMA DR 4222 & 4247	4,401	-	4,401	(4,401)	4,401	-	-
Town Subtotal	<u>202,863</u>	<u>30,736</u>	<u>35,137</u>	<u>(4,401)</u>	<u>95,510</u>	<u>64,387</u>	<u>26,722</u>
AUTHORITY:							
Oklahoma Department of Commerce 18208 CDBG 20	283,097	-	-	-	-	-	-
Authority Subtotal	<u>283,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Overall Totals	<u>\$ 485,960</u>	<u>\$ 30,736</u>	<u>\$ 35,137</u>	<u>\$ (4,401)</u>	<u>\$ 95,510</u>	<u>\$ 64,387</u>	<u>\$ 26,722</u>

See Independent Accountant's Report on Agreed-Upon Procedures.